

Eligibility

To be eligible for public incentives of any kind, a business must be engaged in one or more of the following activities:

- **Manufacturing.** Determined by appropriate NAICS (North American Industry Classification System) codes.
- **Service Sector.** Majority of revenues must be derived from transactions originating outside Hamilton County.
- **Research and Development.** The conducting of research, development or testing for scientific, medical, food product or industrial purposes.
- **Warehousing and Distribution.** Majority of goods stored/shipped must be destined for end-users located outside Hamilton County.
- **Corporate Headquarters.** May include "back office" operations and customer service activities, but shall not include out-bound call centers. Majority of revenues must be derived from transactions originating outside Hamilton County.
- **Transportation.** Freight or passenger transportation services. Majority of revenue must be derived from interstate commerce/travel.
- **Tourism.** Attractions and events considered likely to attract attendees from outside Hamilton County.
- **Housing.** Housing developments for seniors and disabled are of highest priority. It is the City's/County's intention to encourage development of housing for residents of all ages, abilities and incomes.
- **Medical Services.** Regional medical centers and specialty hospitals considered likely to attract patients from outside Hamilton County.
- **Other.** Other commercial businesses considered likely to attract commerce from outside Hamilton County.

***Note: A business and any owners of the business must be current in their payments of ad valorem property taxes, special assessments or any other funds owed to Hamilton County taxing entities to be considered for any public incentives.**



For More Information Contact:

Hamilton County Economic Development

Community Development Director

219 N. Main

P.O. Box 1167

Syracuse, KS 67878

(620) 384-7317

hmcocoon@gmail.com

The purpose of the City of Syracuse and Hamilton County Economic Development Incentive Policies are to establish the standards by which Industrial Revenue Bonds and Property Tax Exemptions may be used to incent the establishment of new businesses and the expansion of existing businesses within their governmental jurisdictions to broaden and diversify the tax base, create new job opportunities for their citizens and promote the economic growth and welfare of Hamilton County.



City of Syracuse and Hamilton County Economic Development Incentive Policies

The City of Syracuse and Hamilton County have approved mirror policies authorizing them to grant economic development incentives, including uses in accordance with the provisions of Section 13 of Article 11 of the Constitution of the State of Kansas and as required by K.S.A. 79-213 and 79-251.

The purpose and use of approved incentives is to broaden and diversify the tax base, create new job opportunities for their citizens and promote the economic growth and welfare of Hamilton County. Eligible business activities include manufacturing, service sector, research & development, warehousing and distribution, corporate headquarters, transportation, tourism, housing, and medical services as well as other commercial businesses considered to attract commerce from outside Hamilton County.

Hamilton County/City of Syracuse Economic Development Incentive Policies (EDIPs) provide a mechanism for the county and/or city to grant an exemption of all or a percentage of the property tax for up to 10 years to qualifying businesses that would not be established or expanded within their governmental jurisdiction “but for” the availability of the incentive.

Kansas Property Tax Exemptions

Realizing economic development incentives are necessary due to the inherent competition between localities for new businesses and jobs. The City of Syracuse and Hamilton County approved mirror economic development incentive policies intended to complement any incentive programs that may be adopted by other entities within Hamilton County or by the State of Kansas. The State of Kansas allows businesses to receive a property tax exemption on all or a percentage of property taxes through two methods:

Industrial Revenue Bonds: Kansas law (K.S.A. 12-1740-1749d, inclusive, as amended) authorizes counties/cities to issue industrial revenue bonds (IRBs) to provide financing of private business facilities. IRBs may be used to pay for all or part of the cost of purchasing, reconstructing, improving, repairing, or remodeling commercial, industrial, manufacturing, recreational and other types of facilities. Projects are typically owned by the approving governmental unit and leased to back to the business while the bonds are outstanding. Kansas law also allows the Issuer to apply to the Kansas Department of Revenue for an exemption from sales tax on tangible personal property or services used or commodities consumed in the construction of the project.

Kansas Constitutional Exemption: The Constitution of Kansas (Article 11, Section 13) and Kansas Law (K.S.A.79-213 and 79-251, as amended) authorizes counties/cities to grant property tax exemptions for certain economic development purposes. The constitutional exemption provisions are more narrowly limited to real and personal property tax exemptions used for manufacturing, research and development, or the storage of goods and commodities that are sold or traded in interstate commerce.

NOTICE: A business and any owners of the business must be current in their payments of *ad valorem* property taxes, special assessments or any other funds owed to the City of Syracuse or Hamilton County to be considered for any public incentives.

Frequently Asked Questions & Answers

Who is the primary contact for the City/County Economic Development Incentive Policies? The primary contact is Hamilton County’s Community Development Director.

Is there a minimum investment required? Due to the legal expense involved with issuing Industrial Revenue Bonds, the EDIP is generally used for projects with a capital investment of \$500,000 or more.

Are property tax exemptions available for previously completed projects? In order to receive a property tax exemption, businesses must apply and be approved prior to starting their project.

Is there an application fee? There is a \$250 application fee due when the application is submitted. There is also an annual administrative fee equal to .05% of the annual taxes abated.

Who reviews the applications? The Hamilton County Community Development Board will review applications and submit a recommendation to either the City Council or County Commission depending on project jurisdiction. In certain instances, the location of a project may require approval by both the City and the County.

How is the level of property tax abatement determined? Each project will be evaluated on an individual basis taking into consideration such factors as job creation, capital investment, appraised valuation and community benefit from the project

What if the EDIP is discontinued? Incentives committed prior to the discontinuance of the EDIP will be honored.

What is the maximum property tax abatement that may be granted? The maximum property tax abatement that may be granted is up to 10 years and up to 100% of the property taxes generated by the approved project.

How to determine if a project is a good fit for the EDIP? Every project has its own nuances and businesses are encouraged to work closely with the Community Development Director who will coordinate with the bond counsel and request their opinion regarding project eligibility as needed.

What is the general application/approval process?

1. Meet with Community Development Director to discuss project eligibility for incentives.
2. Community Development Director will facilitate conference call with bond attorney as needed.
3. Submit completed application along with \$250 application fee.
4. Community Benefit Analysis (CBA) will be completed.
5. Community Development Board will review application/CBA and submit a recommendation to the appropriate governing body.
6. Governing body will set a date for a public hearing and notify all impacted taxing entities.
7. Governing body will consider recommendation from the Community Development Board.
8. Governing body and business will enter into written incentive agreement.
9. Approved projects are reviewed annually to ensure business continues to meet criteria granted under the EDIP agreement.

Cost Benefit Analysis:

All requests by businesses for local incentives will require a Cost Benefit Analysis (CBA) to be completed prior to consideration by the City Council or County Commission. A designated agent on behalf of the City/County will conduct the CBA, and any fees associated with the CBA and the application will be paid by the applicant. The CBA will be used initially to determine the viability of the proposed project and must show a positive economic impact upon the City/County.